

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 86
97TH GENERAL ASSEMBLY

Reported from the Committee on Seniors, Families and Pensions, February 6, 2013, with recommendation that the Senate Committee Substitute do pass.

0087S.04C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal section 105.684, RSMo, and to enact in lieu thereof one new section relating to the retirement plan funded ratio needed for adjustments in benefits, with an emergency clause.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 105.684, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 105.684, to read as follows:

105.684. 1. Notwithstanding any law to the contrary, no plan shall adopt
2 or implement any additional benefit increase, supplement, enhancement, lump
3 sum benefit payments to participants, or cost-of-living adjustment beyond current
4 plan provisions in effect prior to August 28, 2007, unless the plan's actuary
5 determines that the funded ratio **of the most recent periodic actuarial**
6 **valuation and** prior to such adoption or implementation is at least eighty
7 percent and will not be less than seventy-five percent after such adoption or
8 implementation.

9 2. The unfunded actuarial accrued liabilities associated with benefit
10 changes described in this section shall be amortized over a period not to exceed
11 twenty years for purposes of determining the contributions associated with the
12 adoption or implementation of any such benefit increase, supplement, or
13 enhancement.

14 3. Any plan with a funded ratio below sixty percent shall have the actuary
15 prepare an accelerated contribution schedule based on a descending amortization
16 period for inclusion in the actuarial valuation.

17 4. Nothing in this section shall apply to any plan established under
18 chapter 70 or chapter 476.

19 **5. Nothing in this section shall prevent a plan from adopting and**

20 **implementing any provision necessary to maintain a plan's status as a**
21 **qualified trust pursuant to 26 U.S.C. 401(a).**

Section B. Because immediate action is necessary to ensure sustainability
2 and expedite conformance procedures of public retirement funds, section A of this
3 act is deemed necessary for the immediate preservation of the public health,
4 welfare, peace and safety, and is hereby declared to be an emergency act within
5 the meaning of the constitution, and section A of this act shall be in full force and
6 effect upon its passage and approval.

Unofficial ✓

Bill

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